PROCUREMENT 102
CSUEB Procurement Team:

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Objectives

• Raise awareness and understanding in procurement, contract standards, policies and procedures

• Maintain integrity of procurement and contracting process

• Understanding responsibilities of both the department and the Procurement staff during a procurement process
Agenda

• Overview
• Procurement Delegation of Authority
• “Wheeling and Dealing”
• Software Agreements
• Blanket Purchase Orders
• P-Card/Hospitality
• Asset Management
• Printing & Duplication Updates
What is Procurement Delegation of Authority?

• Delegation of Authority is an organizational process wherein, the manager divides work among subordinates and give them the responsibility to accomplish the respective tasks.

• Along with the responsibility, the manager also shares the authority, i.e., the power to make decisions by subordinates, such that responsibilities can be completed efficiently.
How is Delegation of Authority Issued

Constitution

Legislature Governor

Board of Trustees

Chancellor

Campus President

Articles

Codes

Regulation Resolution

Executive Orders

University Policies
Who Has Procurement Authority?

Authority to sign purchase orders, contracts, and interagency agreements are delegated by the Chancellor of the CSU to the Campus President in writing. The President can delegate authority for Procurement transactions to:

- Vice President of Administration & Finance
- Procurement Director & Procurement Staff
Departments Are Not Authorized To:

• Make a purchase or contract for goods or services without an approved purchase order
• Sign any contractual agreement, i.e., license agreement, MOUs, CSU Agreement
• Pick up merchandise without an approved CSUEB issued purchase order, or advanced authorized use of a P-Card
• Use P-Cards as a payment vehicle for received invoices and/or previously received equipment, supplies, or services.
• Use P-Cards to purchase prohibited items that are listed in the P-Card Policy
• Use Personal Credit Cards for University funded purchases, including for auxiliaries. This could jeopardize a reimbursement.
Questions?

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“Wheeling & Dealing”

What is a Confirming Order?

• A “confirming order” is a pre-negotiated order for service for a commodity placed by an unauthorized department and individual outside of the Procurement Department. P-Card orders are excluded.

• No negotiations should occur without a member of the Procurement Office participating.

• No agreements should be signed by individual departments. This could put the University and the individual at risk.
Problems with Confirming Orders

- Pre-negotiated orders that are followed by submitting a requisition obligate the University to pay, and circumvent the Procurement Department and it’s policies.
- Limits the role, benefit, and added-value of the Procurement Department.
- Places the Department or individual at risk.
- Increases the liability of the University.
- Eliminates collaboration and optimal benefits to the Campus.
Questions?
Software Purchases

- All software related purchases including renewals of existing software must be made by the Procurement Office unless the Director of Procurement grants approval to acquire/purchase another way.
- Never sign anything without the approval of Procurement. If a vendor asks you to sign anything forward it to Procurement immediately for review.
- Make sure that an ICT has been submitted with an affirmative recommendation received, prior to the creation of a requisition.
The “NOs” of Software Acquisitions

• No Purchase for Money
• No Zero Dollar Purchases
• No Gifts of Software
• No Free Trials
• No P-Card Purchases
• No Reimbursements
• No Purchases Through a Vendor Website (click-through) or APP
ICT Review

• Before any software agreement can be signed or renewed the software must complete the ICT review process which reviews for Accessibility and Information Security.

• When the review is complete, an ICT Number will be issued.

• Requests for review can be submitted to IT via https://www.csueastbay.edu/ict/index.html
Questions?

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What is a Blanket Purchase Order

• A purchase order for recurring purchases for a set period.
• A purchase order used for simplifying the procurement process that promote efficiencies
  • Allows for multiple releases
  • Allows for payment of multiple invoices
• Dollar amount should represent estimated annual needs.
• If the dollar amount on the PO is exhausted, a change order to add funds must be completed prior to any additional purchase, to avoid exceeding the value of the BPO.
When Should A BPO Be Used?

- For ordering in bulk. This may entitle the requesting department to volume discounts.
- When specified quantities of the same goods or services are required throughout a set duration.
- A single vendor can deliver throughout the length of the BPO.
- When staggering deliveries would minimize stock risks and lower costs through an overall volume discount.
When not to use a Blanket Purchase Order

• When price is not known at the time of the Procurement.
• When price is subject to change without notice.
• When quality of product/service is questionable.
Tips: Dis-encumberance of Blanket Purchase Order (BPO)

• Request BPO closure
  • Last release should not be on 6/30/202X
  • Coordinate with A/P
  • Prevent rollover to the next fiscal year

• Rollover of BPO
  • Not ideal
  • Payment for invoice dated 6/30/xxxx or prior
  • Consult with Purchasing
Questions?
Hospitality Reminders
Policy


Applies to Cal State East Bay and its auxiliaries
What is Hospitality

- Meals
- Light refreshments
- Hosting Guests
- Conferences
- Fundraising Events
- Entertainment Services
- Recognition Events
- Promotional Items
- Gifts
- Activities to promote employee morale
- Recruitment
Hospitality

- Necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the CSU
- Directly related to, or associated with, the active conduct of official CSU business
- Evaluate the importance of the event in terms of the costs that will be incurred
- Consider alternatives that would be equally effective in accomplishing the desired objectives
Hospitality Considerations

• No personal benefit may be derived by the official host or other employees

• Ensure expense is appropriate to the funding source
Required Documentation

- Number of participants
- Descriptions of the business need
- Descriptions of the use of purchases
- Names and roles of participants

The hospitality form will guide you through these requirements to ensure all information is provided.
Employee Recognition/Morale

- Infrequently occurring

- Items purchased for the benefit of employee morale or recognition must not exceed $50*

- Examples include awards, t-shirt, promotional item, etc.

*Inclusive of the total cost to acquire item such as sales tax, delivery fees or other services fees
Gift of State Funds

• Not allowable

• Cannot purchase equipment/supplies and then “gift” item to employee/student

• Purchased equipment/supplies is the property of CSUEB

California State Constitution Definition

• The use of public funds is strictly defined in the California State Constitution (Article 16, Section 6)

• Prohibits public agencies, including school and community college districts, from making a gift of public funds to any individual (including public employees), corporation, or even to another government agency.

• Article 16 states that in the absence of a statute granting public local educational agencies (LEAs) the legal authority to make a special expenditure (e.g., for food, clothing, awards, etc.), “… the Legislature shall have no … power to make any gift, or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation … whatever …” Thus they cannot authorize any county, city, or other political subdivision to make any gift of public money to an individual, corporation, or other government agency.
Fiscal Delegation of Authority

• Must follow Fiscal Delegation of Authority

• Hospitality may not be approved by person placing order (similar to travel)

• Department approver is accountable to the policy and appropriateness of expense

• Both person placing order(s) and department approver must know CSUEB policy
Maximum Rates

- Breakfast - $30
- Lunch - $45
- Dinner - $75
- Light refreshment - $20

Inclusive of the total cost of food, beverages labor, sales tax, delivery fees or other services fees
Alcohol to be served?

- Advance approval needed from Risk Management and UPD (See Alcohol Approval Form)
- EB funds may not be used
- For PR funds, must be specifically noted on fund agreement
Plan

• Allow adequate time for pre-event activities
• Don’t incorporate “exceptions” with your event planning
• Instead, know and follow policy guidelines
Optics
Real Headlines

OU employees accused of misspending grant money

by TIM WILLETT
Published: Mon, June 1, 2020 1:04 AM | Updated: Mon, June 1, 2020 1:14 AM...

UCF's misuse of leftover operating money was 'multi-year strategy: Florida House committee
How Universities Misuse Donor Dollars

BY PHILLIP W. MAGNESS | AUG 2, 2019 | EDUCATION

Administrators appear to have taken the money and repurposed it to an entirely different use than its donor’s intentions.

A bizarre legal case at the University of Missouri is providing an inside look at the corrupt dealings that afflict American higher education.
School credit cards charged for hot air balloon ride, oysters and trips

Records show Mill Valley School District credit cards were charged for lavish lunches, groceries, high-priced hotels and luxury transportation. Between 2014 and 2019, more than $163,000 was spent, concerning some parents. (102 kB)
Questions?

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Asset Management

CSUEB Asset Management Team:

- Lisa Booker
- Matt O’Keefe
- Dayrl Lewis
FUNDAMENTALS OF PROPERTY MANAGEMENT

Agenda

• Property Management
• Acquisition
• Receiving
• Identification
• Physical Inventory
• Disposition
FUNDAMENTALS OF PROPERTY MANAGEMENT

Property Management

- Ownership-Having legal or rightful title to property
- Accountability-Who is accountable for the property? To whom are you accountable for the property?
- Responsibility-To be answerable for a trust or obligation
The Primary Responsibilities of the Property Management Office are to ensure that assets are:

- Controlled
- Preserved
- Protected
- Maintained
Acquisition begins when needs have been defined and moves through a process that includes: approvals, solicitation, award, finance, contract management activities, etc.
Acquisitions made through donations, purchase (credit) cards, or payment without a purchase order bypass most of the above processing
• All items purchased should be delivered to the Receiving Dept.

• Items being delivered directly to the end user due to size or other conditions; must immediately notify the receiving department of the delivery. Advanced notification is preferred.

Example:
• Vehicle
• Exercise Equipment
• Science Equipment
FUNDAMENTALS OF PROPERTY MANAGEMENT

IDENTIFICATION

• Purchase Order Number
  • Not on package or No Packing List

• PCard Purchases
  • Important to make sure end users name is on package
  • Send email with order information in advance
Types of property generally requiring serialized tags are:

- Capital equipment > $5,000
- Non-Capital Property $2,000-$4,999
- Sensitive or controlled property (Computers, Virtual Headset, etc.)
• The goal of the physical inventory is to ensure that the assets recorded in the property system physically exist
• Physical inventories can be taken on a continuous, periodic, or annual basis
• It’s important to notify Property of any change to location of tagged assets
• Governmental Accounting Standards Board (GASB) requirements for state and local governments and public universities
• Distribute the plan and set the schedule
• Meet with the inventory takers
• The reconciliation is arguably the most important phase of the inventory
• Donations – Local Schools & Churches
• eWaste – ASI Cyber Concepts (Local Business, and Eastbay Alumnus)
• Sales – www.PublicSurplus.com
DISPOSITION

- All computers, servers, tablets and/or any device that stores University Information digitally, create an IT Service Desk Ticket
- Potentially contaminated Equipment requires special Disposition

- Contacts For detailed Instructions:
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  Dayrll Lewis dayrll.lewis@csueastbay.edu
The Duplicating team has negotiated a new contract with Ray Morgan to provide fleet Multi Function Devices (printers, copiers, and scanners) to the Campus. Some of the benefits of this new contract are:

- Reduce or eliminate print related spend in the current fiscal year
- Financial relief from our current agreement. The campus will save over $230,000 this fiscal year in hard dollar savings. Over the course of the contract, hard dollar savings will exceed more than $400,000.
- Right size our copier fleet by reducing the total number of MFP devices across all campus locations. There are a number of underperforming machines that will be removed from the fleet and not replaced.
- The Duplication team will advise users of the nearest machine(s) to the location having a machine permanently removed.
- Replace them with newer and faster devices to create a more efficient carbon footprint
- Replacement and removal of machines will begin approximately February 1, 2021.
- Protocols will be in place to clean and disinfect areas that the Ray Morgan team enters into to perform removal/replacement objectives.
Questions?

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Thank You